

Loejstrup Dambrug A/S

Strandvejen 101, 4281 Goerlev

Company reg. no. 19 39 10 78

Annual report

1 April 2020 - 31 March 2021

The annual report was submitted and approved by the general meeting on the 12 July 2021.

Michael Budtz
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Loejstrup Dambrug A/S for the financial year 1 April 2020 - 31 March 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 March 2021 and of the company's results of activities in the financial year 1 April 2020 – 31 March 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Goerlev, 9 July 2021

Managing Director

Niels Ebbe Dalsgaard
Managing director

Board of directors

Michael Egede Budtz
Chairman of the board

Niels Ebbe Dalsgaard

Karl Iver Dahl-Madsen

Independent auditor's report

To the shareholder of Loejstrup Dambrug A/S

Opinion

We have audited the financial statements of Loejstrup Dambrug A/S for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 March 2021 and of the results of the company's activities for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 9 July 2021

Redmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 29 44 27 89

Anders Schelde-Møllerup Funder

State Authorised Public Accountant
mne30220

Company information

The company	Loejstrup Dambrug A/S Strandvejen 101 4281 Goerlev
	Phone 58 85 90 07
	Company reg. no. 19 39 10 78
	Financial year: 1 April 2020 - 31 March 2021
Board of directors	Michael Egede Budtz, Chairman of the board Niels Ebbe Dalsgaard Karl Iver Dahl-Madsen
Managing Director	Niels Ebbe Dalsgaard, Managing director
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Spar Nord Bank A/S
Lawyer	Kromann Reumert
Parent company	Musholm A/S
Associated enterprises	Brejnholm Dambrug ApS, Toerring Vingsted-Kobberbaek A/S, Bredsten

Management commentary

The principal activities of the company

Loejstrup Dambrug A/S is a subsidiary company of Musholm A/S and produces mainly trout eggs, juveniles and smolt to the mother company on several hatcheries and smolt stations.

Development in activities and financial matters

The gross profit for the year totals DKK 10.584.664 against DKK 10.195.259 last year. Income or loss from ordinary activities after tax totals DKK -378.878 against DKK 415.775 last year. The production and work conditions on the landbased fish farms was organized according to the authorities' guidelines for Covid-19 with the best possible staffing. No applications for economic compensation from Covid-19 aid funds have been filed. Management consider the result as not satisfactory. The result was not in line with the forecasted result for 2020/21 as there was excepted a positive result.

Moreover, the company has received a letter of subordination from its parent company Musholm A/S.

General risks

The company group's risks can generally be divided into 2 categories that relate to aquaculture and political conditions.

Aquaculture with farming of trout at hatcheries, landbased fish farms and sea farms contains varying risks. Among the most significant challenges are disease, extreme weather conditions, breakdown of machinery, natural flora and fauna, biological conditions (growth, genetics, breeding, feed quality) and physical damages. These risks are all fundamental conditions in aquaculture and prevention of them are a part of the daily operations. Damages and losses can be partly covered by insurance agreements.

Political risks include the especially restrictive Danish environmental regulations, which increase the cost level and limit the possibilities for development compared with competing producers in Europe, protectionism on foreign markets, political stability on foreign markets, mediacampaigns and misinformation about salmon and aquaculture.

Expected developments

For the time being it is not completely clear what effect the corona crisis will have on the market for freshwater farmed trout for the coming season. A positive result is expected for the coming production year 2021/2022.

Events occurring after the end of the financial year

Except for the corona crisis no events have occurred subsequent to the balance sheet date which would have material impact on the financial position of the company.

Income statement 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	10.584.664	10.195.259
1 Staff costs	-5.552.401	-4.750.843
Depreciation, amortisation, and impairment	-4.700.963	-4.240.081
Operating profit	331.300	1.204.335
Income from equity investment in group enterprise	24.711	128.501
Income from equity investment in associate	184.934	416.324
Other financial income from group enterprises	8.438	6.548
Other financial income	40.065	9.027
Profit/loss on sale of financial assets	-15.111	0
2 Other financial costs	-1.079.438	-1.453.157
Pre-tax net profit or loss	-505.101	311.578
3 Tax on net profit or loss for the year	126.223	104.197
Net profit or loss for the year	-378.878	415.775
Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	-90.355	436.825
Dividend for the financial year	300.000	108.000
Allocated from retained earnings	-588.523	-129.050
Total allocations and transfers	-378.878	415.775

Statement of financial position at 31 March

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
4 Farming licenses and rights	2.937.445	2.919.011
Total intangible assets	<u>2.937.445</u>	<u>2.919.011</u>
5 Property	14.880.721	13.754.758
6 Plant and machinery	34.770.683	33.779.412
7 Other fixtures and fittings, tools and equipment	706.113	809.546
8 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	<u>1.820.569</u>	<u>1.682.460</u>
Total property, plant, and equipment	<u>52.178.086</u>	<u>50.026.176</u>
9 Equity investment in group enterprise	0	1.405.511
10 Equity investments in associate	<u>3.505.691</u>	<u>2.905.646</u>
Total investments	<u>3.505.691</u>	<u>4.311.157</u>
Total non-current assets	<u>58.621.222</u>	<u>57.256.344</u>
Current assets		
Raw materials and consumables	747.116	514.437
Biological assets	<u>29.355.854</u>	<u>30.120.700</u>
Total inventories	<u>30.102.970</u>	<u>30.635.137</u>
Trade receivables	364.140	432.028
Receivables from group enterprises	0	2.378.779
Receivables from associates	1.502.095	0
Income tax receivables	596.794	855.558
Other receivables	3.079.903	2.171.199
Prepayments and accrued income	<u>116.879</u>	<u>93.674</u>
Total receivables	<u>5.659.811</u>	<u>5.931.238</u>
Cash on hand and demand deposits	<u>284.103</u>	<u>213.274</u>
Total current assets	<u>36.046.884</u>	<u>36.779.649</u>
Total assets	<u>94.668.106</u>	<u>94.035.993</u>

Statement of financial position at 31 March

All amounts in DKK.

Equity and liabilities	<u>2021</u>	<u>2020</u>
<u>Note</u>		
Equity		
Contributed capital	500.000	500.000
Reserve for net revaluation according to the equity method	2.523.730	3.741.307
Retained earnings	5.203.298	4.364.599
Total equity	<u>8.227.028</u>	<u>8.605.906</u>
Provisions		
Provisions for deferred tax	4.037.486	3.566.915
Total provisions	<u>4.037.486</u>	<u>3.566.915</u>
Liabilities other than provisions		
Mortgage loans	7.039.943	7.640.326
Other mortgage loans	4.631.187	3.995.888
Lease liabilities	1.390.821	3.242.336
Other debts	455.243	321.166
11 Total long term liabilities other than provisions	<u>13.517.194</u>	<u>15.199.716</u>
11 Current portion of long term payables	2.048.060	2.103.307
Trade payables	3.122.873	1.883.306
12 Payables to group enterprises	63.090.184	62.233.892
Other payables	625.281	442.951
Total short term liabilities other than provisions	<u>68.886.398</u>	<u>66.663.456</u>
Total liabilities other than provisions	<u>82.403.592</u>	<u>81.863.172</u>
Total equity and liabilities	<u>94.668.106</u>	<u>94.035.993</u>
13 Charges and security		
14 Contingencies		
15 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity 1 April 2020	500.000	3.741.307	4.364.599	8.605.906
Share of results	0	209.645	-588.523	-378.878
Dividend received from associated enterprise	0	-300.000	300.000	0
Reversals for the year concerning disposals	0	-1.127.222	1.127.222	0
	<u>500.000</u>	<u>2.523.730</u>	<u>5.203.298</u>	<u>8.227.028</u>

Notes

All amounts in DKK.

	<u>2020/21</u>	<u>2019/20</u>
1. Staff costs		
Salaries and wages	5.000.697	4.340.044
Pension costs	383.145	300.896
Other costs for social security	168.559	109.903
	<u>5.552.401</u>	<u>4.750.843</u>
Average number of employees	<u>10</u>	<u>10</u>
2. Other financial costs		
Financial costs, group enterprises	467.731	943.475
Other financial costs	611.707	509.682
	<u>1.079.438</u>	<u>1.453.157</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year	-596.794	-855.558
Adjustment for the year of deferred tax	470.571	751.361
	<u>-126.223</u>	<u>-104.197</u>
	<u>31/3 2021</u>	<u>31/3 2020</u>
4. Farming licenses and rights		
Cost 1 April 2020	3.724.928	3.515.000
Additions during the year	209.928	209.928
Cost 31 March 2021	<u>3.934.856</u>	<u>3.724.928</u>
Amortisation and writedown 1 April 2020	-805.917	-630.167
Amortisation for the year	-191.494	-175.750
Amortisation and writedown 31 March 2021	<u>-997.411</u>	<u>-805.917</u>
Carrying amount, 31 March 2021	<u>2.937.445</u>	<u>2.919.011</u>

Notes

All amounts in DKK.

	<u>31/3 2021</u>	<u>31/3 2020</u>
5. Property		
Cost 1 April 2020	16.271.574	8.391.953
Additions during the year	<u>1.622.166</u>	<u>7.879.621</u>
Cost 31 March 2021	<u>17.893.740</u>	<u>16.271.574</u>
Depreciation and writedown 1 April 2020	-2.516.816	-2.064.764
Depreciation for the year	<u>-496.203</u>	<u>-452.052</u>
Depreciation and writedown 31 March 2021	<u>-3.013.019</u>	<u>-2.516.816</u>
Carrying amount, 31 March 2021	<u>14.880.721</u>	<u>13.754.758</u>
6. Plant and machinery		
Cost 1 April 2020	52.486.096	41.396.596
Additions during the year	6.521.051	11.089.500
Disposals during the year	<u>-2.025.203</u>	<u>0</u>
Cost 31 March 2021	<u>56.981.944</u>	<u>52.486.096</u>
Revaluation 1 April 2020	<u>1.800.000</u>	<u>1.800.000</u>
Revaluation 31 March 2021	<u>1.800.000</u>	<u>1.800.000</u>
Depreciation and writedown 1 April 2020	-20.506.684	-17.177.087
Depreciation for the year	-3.682.333	-3.329.597
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>177.756</u>	<u>0</u>
Depreciation and writedown 31 March 2021	<u>-24.011.261</u>	<u>-20.506.684</u>
Carrying amount, 31 March 2021	<u>34.770.683</u>	<u>33.779.412</u>
Right of use assets (financial leases) depreciation for the year	<u>301.652</u>	<u>315.991</u>
Right of use assets (financial leases) are recognised at a carrying amount of	<u>1.541.032</u>	<u>3.556.239</u>

Notes

All amounts in DKK.

	<u>31/3 2021</u>	<u>31/3 2020</u>
7. Other fixtures and fittings, tools and equipment		
Cost 1 April 2020	2.944.032	2.375.800
Additions during the year	<u>227.500</u>	<u>568.232</u>
Cost 31 March 2021	<u>3.171.532</u>	<u>2.944.032</u>
Depreciation and writedown 1 April 2020	-2.134.486	-1.851.803
Depreciation for the year	<u>-330.933</u>	<u>-282.683</u>
Depreciation and writedown 31 March 2021	<u>-2.465.419</u>	<u>-2.134.486</u>
Carrying amount, 31 March 2021	<u>706.113</u>	<u>809.546</u>
8. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment		
Cost 1 April 2020	1.682.460	183.700
Additions during the year	1.636.869	1.498.760
Disposals during the year	<u>-1.498.760</u>	<u>0</u>
Cost 31 March 2021	<u>1.820.569</u>	<u>1.682.460</u>
Carrying amount, 31 March 2021	<u>1.820.569</u>	<u>1.682.460</u>
9. Equity investment in group enterprise		
Acquisition sum, opening balance 1 April 2020	303.000	303.000
Disposals during the year	<u>-303.000</u>	<u>0</u>
Cost 31 March 2021	<u>0</u>	<u>303.000</u>
Revaluations, opening balance 1 April 2020	1.102.511	974.010
Results for the year	24.711	128.501
Reversals for the year concerning disposals	<u>-1.127.222</u>	<u>0</u>
Revaluation 31 March 2021	<u>0</u>	<u>1.102.511</u>
Carrying amount, 31 March 2021	<u>0</u>	<u>1.405.511</u>

Notes

All amounts in DKK.

	<u>31/3 2021</u>	<u>31/3 2020</u>
10. Equity investments in associate		
Acquisition sum, opening balance 1 April 2020	266.850	266.850
Additions during the year	<u>715.111</u>	<u>0</u>
Cost 31 March 2021	<u>981.961</u>	<u>266.850</u>
Revaluation, opening balance 1 April 2020	2.638.796	2.330.472
Results for the year	184.934	416.324
Dividend	<u>-300.000</u>	<u>-108.000</u>
Revaluation 31 March 2021	<u>2.523.730</u>	<u>2.638.796</u>
Carrying amount, 31 March 2021	<u>3.505.691</u>	<u>2.905.646</u>

Associated enterprise:

	Domicile	Equity interest
Brejnholm Dambrug ApS	Toerring	33,33 %
Vingsted-Kobberbaek A/S	Bredsten	30 %

11. Liabilities other than provision

	Total payables 31 Mar 2021	Current portion of long term payables	Long term payables 31 Mar 2021	Outstanding payables after 5 years
Mortgage loans	7.640.323	600.380	7.039.943	4.712.978
Other mortgage loans	5.875.886	1.244.699	4.631.187	752.778
Lease liabilities	1.593.802	202.981	1.390.821	770.150
Other debts	<u>455.243</u>	<u>0</u>	<u>455.243</u>	<u>0</u>
	<u>15.565.254</u>	<u>2.048.060</u>	<u>13.517.194</u>	<u>6.235.906</u>

	<u>31/3 2021</u>	<u>31/3 2020</u>
12. Payables to group enterprises		
Intercompany account with Musholm A/S	<u>63.090.184</u>	<u>62.233.892</u>
	<u>63.090.184</u>	<u>62.233.892</u>

Notes

All amounts in DKK.

13. Charges and security

As collateral for mortgage loans security has been granted on property, plant and machinery representing a carrying amount of TDKK 7.494 at 31 March 2021.

Spar Nord Bank A/S has as security for the parent company and consolidated debt received letter of indemnity nom. 6.500 thousand secured by property registration number 5a Loejstrup HGD which represent a book value of TDKK 2.469 at 31 March 2021.

Loejstrup Dambrug A/S has provided suretyship for Musholm A/S and Vingsted-Kobberbaek A/S in respect of all accounts with Spar Nord Bank A/S.

14. Contingencies

Joint taxation

With Musholm A/S, company reg. no 17895907 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme is shown in the annual report for the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

15. Related parties

Controlling interest

Musholm A/S

Majority shareholder

Strandvejen 101

4281 Goerlev

Denmark

Consolidated financial statements

The company is included in the consolidated financial statements of Musholm A/S, Strandvejen 101, Goerlev, Denmark.

Accounting policies

The annual report for Loejstrup Dambrug A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Accounting policies

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprise and associate

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the associate is recognised in the income statement as a proportional share of the associates' post-tax profit or loss.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Farming licenses and rights

Licenses are measured at cost with deduction of accrued amortisation and are amortised over the contract period, however, for a maximum of 20 years.

Profit and loss from the sale of licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	20 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	5-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Right-of-use assets

The enterprise will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Accounting policies

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprise og associate are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Investments

Equity investments in group enterprise and associate

Equity investments in group enterprise and associate are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprise and associate are transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise and associate.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Inventories

Inventories (raw materials and consumables) are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Accounting policies

Biological assets (biomass)

IAS 41 requires biomass to be accounted for at the estimated fair value net of sales costs.

Biological assets are trouts produced on land in fresh water.

Historical cost is deemed a reasonable approach to fair value, as there is little biological transformation. This assessment must be seen in the light of the fact that smolts are currently released to sea at a stage, when their weight is still relatively low.

Estimated future costs are based on the Group's prognoses per locality. Cost comprises mainly feed- and production costs.

In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Loejstrup Dambrug A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.